## Message Text

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P R 131747Z JUL 78
FM AMEMBASSY BONN
TO SECSTATE WASHDC PRIORITY 0235
INFO SECDEF WASHDC
USCINCEUR VAIHINGEN GE
CINC USAREUR HEIDELBERG
CINC USAFE RAMSTEIN

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CINCUSAREUR FOR DCS PER AND AEAJA-1A

E.O. 11652: N/A

TAGS: PINT, PEPR, MARR, ELAB, GW, US

SUBJECT: DEMARCHE BY FRG FONOFF STATE SECRETARY ON

DEPENDENT HIRE BY US FORCES IN FRG

REF: (A) STATE 85804 DTG 040136Z APR 78 (B) CINCUSAREUR DTD 141130Z APR 78

SUMMARY. AMBASSADOR STOESSEL MET JULY 10 WITH FRG FOREIGN OFFICE STATE SECRETARY VAN WELL AT THE LATTER'S REQUEST TO DISCUSS THE EMPLOYMENT BY US FORCES OF

MILITARY DEPENDENTS INTO POSITIONS LONG HELD BY PERSONNEL FROM THE LOCAL LABOR MARKET. VAN WELL REFERRED TO THE WORKING LEVEL NEGOTIATIONS SINCE SUMMER 1976 ON THIS QUESTION AND THE NEAR AGREEMENT IN SUBSTANCE REACHED IN JANUARY 1977 ON HOW THIS MATTER LIMITED OFFICIAL USE

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MIGHT BE RESOLVED. THAT AGREEMENT INCLUDED MENTION OF 11,000 US NATIONALS WHICH THE GERMANS VIEWED AS A CEILING AND WHICH THE US SIDE CONSIDERED A GUIDELINE THAT, IF EXCEEDED, WOULD TRIGGER INTERGOVERNMENTAL CONSULTATIONS. VAN WELL MADE CLEAR THAT GRASS ROOT CONCERN WAS LEADING TO UNION AND POLITICAL PRESSURE ON THE FEDERAL GOVERNMENT THAT THREATENED TO TAKE ON

UGLY ASPECTS UNLESS THE FEDERAL GOVERNMENT WERE PLACED IN A POSITION SOON TO DEMONSTRATE CONCRETE PROGRESS AFTER TWO YEARS OF NEGOTIATIONS WITH THE US SIDE. HE MENTIONED THE APRIL 10 FOREIGN OFFICE NOTE VERBALE TO THE EMBASSY CONTAINING WHAT THE GERMAN SIDE CONSIDERS THE GIST OF THE PROGRESS MADE TO DATE, AND STRONGLY URGED THAT THE US RESPONSE THERETO NOT BE A NEGATIVE ONE. AMBASSADOR STOESSEL STATED THAT FOR

THE US SIDE ALSO THERE WAS PRESSURE, PARTICULARLY FROM CONGRESS. THAT WOULD MAKE IT EXTREMELY DIFFICULT FOR THE USG TO REACH ANY FORMAL INTERNATIONAL AGREE-MENT CONTAINING A RESTRICTION OR CEILING ON US FORCES' EMPLOYMENT OF MILITARY DEPENDENTS (SEE REFTEL). THE AMBASSADOR REFERRED, HOWEVER, TO THE FACT THAT SINCE SPRING 1976, THE EMPLOYMENT OF US NATIONALS IN LN POSITIONS S(INCLUDING STILL TOURISTS AND RETIRED MILITARY WHOSE MEMBERS ARE BEING DRAWN DOWN) HAD NEVER EXCEEDED 11,000, THAT THERE WAS NO INTENTION ON THE US SIDE TO EXCEED THAT NUMBER AND THAT THERE WAS NO REASON TO BELIEVE THAT THIS LEVEL WOULD BE EXCEEDED. VAN WELL SAID HE UNDERSTOOD THE POLITICAL PULLS ON THE US SIDE, STATED THAT THE FORM OF AN AGREEMENT WAS NOT SO IMPORTANT AS WHAT WAS DONE IN FACT, AND EXPRESSED THE HOPE THAT SOME FORM OF ARRANGEMENT TO WHICH THE FRG GOVERNMENT COULD POINT LIMITED OFFICIAL USE

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WOULD BE REACHED SOON AS EVIDENCE OF THE PROGRESS ACHIEVED IN FACT. END SUMMARY.

- 1. FRG FOREIGN OFFICE STATE SECRETARY VAN WELL ON JULY 7 REQUESTED A MEETING WITH AMBASSADOR STOESSEL ON JULY 10 TO DISCUSS GERMAN EMPLOYEES OF THE US FORCES. HE OPENED THE MEETING STATING THAT IN LOOKING AT OPEN BILATERAL QUESTIONS BETWEEN THE US AND THE FRG, HE HAD NOTICED THE QUESTION OF THE EMPLOYMENT BY THE US FORCES OF MILITARY DEPENDENTS INTO POSITIONS TRADITIONALLY HELD BY PERSONNEL FROM THE GERMAN LABOR MARKET (LN POSITIONS). EXPERT TALKS COMMENCED IN SUMMER 1976 HAD COME TO SOME RESULT IN JANUARY 1977 WHICH THE FOREIGN OFFICE HAD SOUGHT TO FORMULATE IN ITS PROPOSAL TO THE EMBASSY FOR AN INTERGOVERNMENTAL AGREEMENT BY THE FOREIGN OFFICE NOTE VERBALE OF APRIL 10, 1978.
- 2. VAN WELL SAID HE REALIZED THAT THE US SIDE WAS STUDYING THIS PROPOSAL.ANHE WISHED TO GIVE THIS MATTER A PUSH SO THAT IT COULD SHORTLY BE FINALLY RESOLVED. LOOKING AT THE ACTUAL CURRENT

## SITUATION, VAN WELL NOTED THAT MATTERS HAD STABILIZED

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P R 131747Z JUL 78 FM AMEMBASSY BONN TO SECSTATE WASHDC PRIORITY 0236 INFO SECDEF WASHDC USCINCEUR VAIHINGEN GE CINC USAREUR HEIDELBERG CINC USAFE RAMSTEIN

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AS A RESULT OF READJUSTMENTS ON THE US SIDE TO THE INITIAL SHOCK AND ECONOMIC DIFFICULTIES CAUSED BY THE DM REVALUATION. IN THE INTEREST OF THE ORDERLY CONDUCT OF OUR RELATIONSHIP HE URGED THAT THIS ARRANGEMENT BE FINALIZED SO THAT THE FEDERAL GOVERNMENT COULD EFFECTIVELY RESPOND TO AND CONTROL INQUIRIES FROM THE BUNDESTAG AND THE OETV UNION.

3. AMBASSADOR STOESSEL STATED THAT THE EMBASSY WOULD REPORT ON VAN WELL'S CONCERN AND WOULD GIVE FULL CONSIDERATION TO THE POINTS HE HAD MADE. HE SAID THAT THINGS HAD INDEED STABILIZED AND THAT THE 11,000 LEVEL OF EMPLOYMENT OF US NATIONALS INTO LN POSITIONS HAD NOT BEEN EXCEEDED IN PRACTICE BY THE US FORCES DURING THE PAST TWO YEARS AND THAT THERE WERE NO PLANS TO EXCEED THAT LEVEL. THERE WAS NO FIRING OF LIMITED OFFICIAL USE

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LN EMPLOYEES TO OPEN POSITIONS FOR MILITARY DEPENDENTS. WHILE THE CONCERN IN GERMANY GENERATED BY THE MISGUIDED REPORTING IN THE NEWS MEDIA ON THE GAO REPORT OF DECEMBER 1977 AND THE TIMING OF THAT REPORT JUST

BEFORE CHRISTMAS WERE UNFORTUNATE, THERE HAD NEVER BEEN ANY INTENTION TO FIRE LN EMPLOYEES TO HELP MILITARY DEPENDENTS AND NO SUCH FIRING HAD EVER TAKEN PLACE.

- 4. AMBASSADOR STOESSEL NOTED THE CONTINUING NEED OF MANY MILITARY FAMILIES TO HAVE A SECOND WAGE EARNER AND THE US CONGRESS' SENSITIVITY TO THIS NEED. HE SAID THAT FRANKLY A FORMAL INTERNATIONAL AGREEMENT CONTAINING A LIMIT OR RESTRICTION ON US FORCES' EMPLOYMENT OF MILITARY DEPENDENTS DID NOT APPEAR POSSIBLE. PROVISIONS FOR CONSULTATIONS IF A CERTAIN LEVEL MIGHT BE OR HAD BEEN EXCEEDED WERE, PERHAPS, ACCEPTABLE, BUT A FORMAL LIMIT WOULD CAUSE US GREAT POLITICAL AND LEGAL DIFFICULTIES.
- 5. VAN WELL STATED THAT WE NEED A BASIS COMMON TO BOTH SIDES FROM WHICH THE FOREIGN OFFICE COULD REPLY TO PARLIAMENTARY AND OTHER QUESTIONS ADDRESSED TO IT. PERHAPS A FORMAL INTERNATIONAL AGREEMENT WAS NOT

NECESSARY, BUT WE SHOULD TRY TO AGREE ON AN ORIENTATION MARK, COUPLED WITH A STATEMENT OF INTENTION OR BEST EFFORTS NOT TO EXCEED THAT MARK, AND A STATEMENT THAT WE HAVE EVERY REASON TO BELIEVE THAT IN FACT THAT MARK WOULD NOT BE EXCEEDED.

6. DR. RUMPF (FOREIGN OFFICE LEGAL SECTION), WHO HAS LIMITED OFFICIAL USE

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BEEN THE CHIEF FRG REPRESENTATIVE AT WORKING LEVEL DISCUSSIONS ON THIS QUESTION, POINTED OUT THAT THE APRIL 10 NOTE WAS THE RESULT OF A COMPROMISE HE SAID WAS REACHED AT THE MEETING IN JANUARY 1977. BOTH SIDES HAD PROCEEDED FROM THEIR DIFFERENT LEGAL PREMISES. WHILE THE US SIDE MAINTAINED THAT IT COULD HIRE AS CIVILIAN COMPONENT WHOMEVER IT WISHED, THE FRG SIDE MAINTAINED THAT THE SPIRIT, IF NOT THE WORDING, OF THE SUPPLEMENTARY AGREEMENT TO THE NATO SOFA PROVIDED THAT POSITIONS LONG FILLED BY EMPLOYEES FROM THE GERMAN LABOR MARKET SHOULD CONTINUE TO BE

MAINTAINED AS POSITIONS TO BE FILLED ONLY FROM THAT MARKET.

7.RUMPF SAID THE LN EMPLOYEES OF THE US FORCES AND THEIR UNION AND PARLIAMENTARY SUPPORTERS WERE ASKING THE FEDERAL GOVERNMENT HOW THAT GOVERNMENT WAS HELPING THOSE LN EMPLOYEES IN VIEW OF THE FOREIGN OFFICE LEGAL POSITION AND THE POLICY OF THE DOD TO INCREASE THE EMPLOYMENT OF MILITARY DEPENDENTS. THE FRG GOVERNMENT HAD BEEN FORCED TO RAISE THE MATTER TO THE POLITICAL LEVEL IN ORDER TO PROVE THAT THE FEDERAL GOVERNMENT WAS IN FACT SERIOUSLY CONCERNED.

8. IN FALL 1977, THE FRG SIDE HAD THOUGHT THAT AN INFORMAL BASIS OF AGREEMENT HAD BEEN REACHED AND THAT A CEILING WAS POSSIBLE. THEN CAME THE UNFORTUNATE PUBLICATION OF THE GAO REPORT IN DECEMBER 1977 URGING THAT METHODS FOR EMPLOYING MORE US CITIZENS BE EXPLORED BY THE US MILITARY IN THE FRG. THIS PARTICULAR AIM OF THE GAO REPORT BECAME KNOWN TO THE GERMAN PRESS AND LABOR UNIONS, RESULTING, IN TURN, IN MOUNTING PRESSURE ON THE FRG GOVERNMENT. THAT PRESSURE LED TO GERMAN EFFORTS AT THE WORKING LEVEL TO

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PUT INTO A FORMAL AGREEMENT THE INFORMAL BASIS FOR AGREEMENT PREVIOUSLY REACHED. HOWEVER, THE FOREIGN OFFICE HAD SINCE THE GAO REPORT GAINED THE IMPRESSION THAT THE US SIDE WAS STEPPING BACK FROM THE INFORMAL AGREEMENT PREVIOUSLY ACHIEVED AND THUS IT HAD FELT COMPELLED TO PROPOSE THE CONCLUSION OF A FORMAL AGREEMENT TO NAIL DOWN WHAT HAD BEEN AGREED.

9. THE EMBASSY'S LEGAL ADVISER STATED THAT THE GERMAN SIDE SHOULD BE AWARE THAT THE PUBLICATION OF THE GAO REPORT WHICH HAD SENSITIZED THIS TOPIC IN THE FRG AND HAD RESULTED IN THE PRESSURE ON THE FEDERAL GOVERNMENT DESCRIBED BY DR. RUMPF HAD, FOR THE US SIDE, UNAVOIDABLY FORTIFIED US DOUBTS THAT A FORMAL CEILING ON DEPENDENT HIRE WAS POLITICALLY AND LEGALLY FEASIBLE. WHILE DR. RUMPF HAD POINTED OUT LIMITED OFFICIAL USE

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THAT SOME LANGUAGE IN THE PROPOSED INTERGOVERNMENTAL AGREEMENT WAS FLEXIBLE AND THAT IT INCLUDED AN OPEN-ENDED REVIEW PROVISION, IT PROPOSED NONETHELESS AN UNDERTAKING BY THE US SIDE TO RESTRICT DEPENDENT HIRE

INTO LN POSITIONS TO 11,000.

10. VAN WELL ENDED THE MEETING BY SAYING THAT THE GERMAN GOVERNMENT MUST BE ABLE TO SHOW SOMETHING FOR ITS EFFORTS. HE HAD TAKEN NOTE OF THE AMBASSADOR'S STATEMENT THAT THE US FORCES HAD NOT EXCEEDED THE 11,000 FIGURE, THAT THEY HAD NO INTENTION TO GO BEYOND THAT LEVEL, AND THAT THEY PERCEIVE NO REASON WHY THEY WOULD EXCEED THAT LEVEL. THE GERMAN GOVERNMENT WOULD USE THAT ASSURANCE IN RESPONDING TO INQUIRIES DURING THE INTERIM PERIOD UNTIL A FORMAL RESPONSE WAS RECEIVED BY THE FOREIGN OFFICE TO ITS APRIL 10 NOTE PROPOSAL. IT WAS, OF COURSE, CLEAR THAT THE FOREIGN OFFICE DID NOT WANT A NEGATIVE REPLY TO THAT NOTE. THE AMBASSADOR ASSURED THE STATE SECRETARY THAT THERE WOULD BE A REPLY AND STATED THAT WHILE IT WOULD NOT BE A NEGATIVE IT

COULD ALSO NOT BE AN ENTIRELY POSITIVE ONE. DISCUSSIONS AT THE WORKING LEVEL SHOULD TAKE PLACE BEFORE WE MADE A FORMAL REPLY.

11. THE EMBASSY IS POUCHING TO EUR/CE, L/EUR AND L/PM FOR BACKGROUND A COPY OF THE EXTENSIVE BRIEFING PAPER PREPARED FOR THE ABOVE MEETING. COPIES OF THE FOREIGN OFFICE NOTE OF APRIL 10, 1978 AND OF THE RUMPF-TO-PFUND LETTER OF APRIL 11 WERE POUCHED JULY 10 TO THOSE ADDRESSEES BY DS-4. STOESSEL

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TAGS: PINT, PEPR, MARR, ELAB, GE, US

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